

DRAFT MINUTES OF THE
MEETING OF THE PENSION OVERSIGHT COMMISSION
June 9, 2017

A meeting of the Pension Oversight Commission (POC) for the Howard County Retirement Plan and the Howard County Police and Fire Employees' Retirement Plan was held Friday, June 9, 2017 at 11:00 a.m. in the Reisterstown room of the Ascend One Building at 8930 Stanford Blvd. Columbia, MD 21045. Members also participated via conference call. Present in person and on the phone for all or part of the meeting were the following voting members of the Commission:

Ken Barnes
Peter Hong
Todd Snyder

Toshie Kabuto and Mitchell Stringer were absent. Also present for all or part of the call were Terry Reider, Scott Southern, and Nike Yahaya from the department of human resources and retirement plan trustees Jeff Bronow, Stanley Milesky, Dale Chase and John Peterson. Mr. Snyder chaired the meeting and Mr. Southern served as secretary.

The meeting was called to order at 11:02a.m. Mr. Snyder began by referencing his May 10, 2017 letter to the Retirement Plan Committee (RPC) which was discussed during the last RPC meeting on May 26, 2017. Mr. Snyder said he was present for part of the meeting and noted no conclusion was reached on the response to the content of the letter at that meeting due to differing opinions. He stated that he was given the opportunity to clarify the intention of the letter. Since that date He has had the opportunity to speak with Wanda Hutchinson, Chairperson for the Retirement Plan Committees, where she stated she will respond with what could be provided. Mr. Barnes asked if Mr. Snyder's letter was unusual. Since Mr. Snyder has been part of the commission this request has not been made before.

Mr. Snyder went over the requests presented in his letter. First he wanted to know what the committees have done in response to the recommendations in the last report so they do not make duplicate requests. Ms. Hutchinson will respond to this item. Mr. Snyder wanted to understand how the code of ethics that has been adopted came about and the differences between their recommendation and the adopted format.

The next section of the letter was requesting information regarding the various service providers to the RPC, and the commission's ability to review their contracts and how the

providers are selected. Mr. Hong expressed that he would prefer a summary of the contract agreement and that he felt it was not the duty of the POC to review the actual contacts.

Mr. Snyder moved on to the third request to obtain information about internal controls, litigation and regulatory matters. Mr. Snyder said Ms. Hutchinson told him there are none, so he does not think there will be an issue on this topic.

The discussion moved to alternative investment section of the letter. Mr. Snyder is concerned that there is an increasing allocation into this investment class. He believes he can be of help to RPC based on his experience. He would like to make sure the investments make sense and that the RPC members know what they are investing in. He talked about the confidentiality agreements that the managers have and asked if the POC could do its job without access to more detailed information. He said he had some discussions with the County Solicitor to help with legal advice regarding the POC's duties and responsibilities. Mr. Snyder would like more information to be able to assess the risk of the alternative investments.

Mr. Hong is more interested in the process the RPC uses to review alternative investments rather than looking at the underlying documents. He feels the POC should be assessing the risk within the portfolio's total asset allocation rather than the individual investments. Mr. Snyder stated that he did not know how to assess the risk of the investment without knowing more about it.

The commission then discussed the topic of closed door meetings. Mr. Snyder would like to clarify what goes on during a closed session at the RPC meetings. He understands that it makes sense to discuss legal and personnel matters in closed session, but what about the private investments and other issues. Are there processes and procedures to ensure transparency?

Mr. Barnes asked if POC members can be authorized participants at these closed-door sessions to just listen in. Mr. Snyder believes this would be helpful and he plans to ask Ms. Hutchinson if this is possible.

Mr. Snyder then directed the call the completion of the annual report, he stated he received Mr. Barnes draft of the actuarial portion and wanted to know if he had a good understanding of the assumptions that Bolton has been using and if they are reasonable. Mr. Barnes stated he would go over the information with Ms. Kabuto who had produced the actuarial piece last year.

Mr. Hong expressed that he would like to get some more information about the management and administrative fees. He agreed to send his questions to Mr. Southern in an email to be provided to Summit Strategies.

Mr. Snyder expressed his desire to receive a basic draft of the report of by their June 21, 2017 meeting. If necessary they can review it and present changes during either the scheduled meetings on June 22, 2017 or June 28, 2017. He will also be inviting legal counsel from the County Solicitor's Office to the next meeting. Mr. Snyder wanted to clarify the time frame for calling a public meeting.

Ms. Reider stated there should be reasonable advanced notice for public meetings. The bylaws for the RPC state five day notification is required and the POC rules require a seven day notification. Mr. Southern confirmed that if there is a discussion with quorum of commission members, then it is an open meeting and would require proper notice.

With no other issues to discuss, the meeting was adjourned at 12.00 p.m.

Respectfully Submitted,

Scott Southern,
Office of Human Resources